

Response to the Inspector General
Survey Report as Related to the Position
Management and Classification Functions
of the Office of Personnel

1. Introduction

a. The importance to the Agency at large regarding the directions and decisions made relative to the future of the position management and classification function is vitally significant and warrants a fuller response and specific recommendations by the Office of Personnel on the subject over and above directing comments only to the specifics of the IG Report per se.

b. The Position Management and Classification function of CIA, other Federal agencies and organizations in private industry is acknowledged by managerial "experts" as one of the most vital and significant elements of any large and complex organization's personnel management program. It is the position management and classification function that permits top management of an organization to translate raw personnel ceiling and manpower budgetary allocations into organizational and graded position structures as a basis for the recruitment, assignment, retention, and promotion of the workforce to accomplish the missions of the Agency. Inherent in the position management and classification program is the need to maintain job/pay equity for comparable positions throughout the total organization, reasonable comparability with similar jobs outside the organization (to assure competitive status in the recruitment of qualified applicants and the retention of the onboard workforce), and permit Agency control over average grade levels and preclude unjustifiable upward creep in payroll costs.

c. The Inspector General team was seriously limited in terms of the time available to them to fully research a technically complicated professional function of considerable import to the Agency, and based many of their conclusions on "customer" reactions, some quite valid but many quite superficial. Nevertheless, the IG team made a creditable effort to explore the PMCD function and developed a number of conclusions and recommendations worthy of consideration and action.

2. Background

a. One of the dynamic factors central to the evolving scope and structure of the Federal Compensation System has been the changing nature of the workforce needed by the Federal Government to perform its

mission. The growing complexity of the Federal mission has led to a parallel growth in the variety of skills required in the Federal workforce, as reflected in the great number of distinct occupations and jobs found today in the Federal Government. It is the task of the classification and pay system to keep pace with these developments in order to establish fair and equitable salary distinctions among the myriad occupations and jobs in the Federal service. The need to establish and maintain this appropriate internal alignment of pay rates within the Federal service has been a continuing problem for Congress and the Executive Branch.

b. Over the years, the Federal Compensation System has developed from a simple, almost ad hoc, process to the current highly structured and intricate system. According to legislation passed by Congress in 1795, agency heads could use their own discretion to determine how many clerks to hire and how much to pay them, provided that the agencies did not exceed either their appropriations for salaries or the maximum salaries established by Congress. From 1818 to 1830, Congress used what came to be called the "Statutory Role" system of appropriating money for Federal salaries. A specific number of clerks was allocated to each agency, and a ceiling was placed on salaries, not only among but within agencies. With the growth of Federal service and proliferation of agencies, Federal employees began voicing concern about the lack of systematic internal alignment in the Federal service. For almost a hundred years, Congress recognized the need for some means of attaining this goal but it was not until the Classification Act of 1923 that Congress established a formal policy of systematic internal alignment. Such a policy was expressed in that Act as requiring "equal pay for equal work" for all employees subject to the Act. This policy was reaffirmed in the Classification Act of 1949 which created the present General Schedule (GS) System. Although CIA was exempted from the Classification Act of 1949, the Agency is on record that it would follow the basic philosophy and principles of the Act.

c. During the past eighteen months there have been voiced a number of additional concerns relative to Federal compensation and the job classification effort. In early 1975, President Ford expressed his concern over rising personnel costs in Government and asked the help of heads of Departments and Agencies in slowing the upward trend. CIA's support for these efforts was reaffirmed in May 1975 in a letter to the Director of OMB in which our scheduled position management/classification surveys were listed as one means of insuring maximum efficiency and economy in the use of personnel. The Civil Service Commission in its report to the President also listed position management and classification as one of several planned CSC initiatives to promote cost reduction in personnel management. Additionally, the Comptroller General's Report to the Congress in December 1975 stated that the classification of Federal White-Collar Jobs should be better controlled. Specifically, the Report stated that "weak controls and

pressures exerted on job classifications have resulted in overgraded Federal positions," and that "top Federal management must make a commitment to improve job classifications and to organize the work of Federal Departments and Agencies economically."

3. General

a. The IG Report identified many of the problems encountered in the current operation of PMCD's Position Management Program. As noted in the IG Report, PMCD has recognized these problems and has taken a number of corrective measures to improve PMCD staffing and develop clearer, more precise position standards and evaluation systems. Unfortunately, the IG Report contained a number of misconceptions concerning the operations, methodology, and goals of PMCD's Position Management Program. The Report relies heavily on Agency component customer reaction and interpretation of PMCD's program, and it is possible that this factor led to many of the apparent inconsistencies and misunderstandings contained in the Report. The lack of authorities, and appeal and enforcement systems identified in the Report are certainly valid and critical elements relating to the improved performance of the program. However, the recommendations and conclusions made by the IG in its Report do not address the resolution of these problem areas within the context of job/pay equity.

b. As outlined in the IG Report, there is a fundamental requirement to establish and maintain an Agency job/pay equity system, and PMCD is now the heart of the Agency system which represents to OMB and CSC an active, demonstrable effort to enforce CIA's policy of general conformance to the concepts and principles of the Classification Act of 1949. PMCD performs these functions through a program which includes a combination of periodic entire component surveys; surveys and reviews of component partial reorganizations as required, and individual position reviews requested by components. All of these methods involve similar elements of evaluation based on comparisons with established CSC and Agency standards, comparisons with other positions within the Agency, and comparisons with positions in other Government organizations and, in some cases, private industry. Since the Agency is committed to follow the basic philosophy and principles of the Classification Act, PMCD's position management program represents an adaptation of Government wide pay and classification legislation and policy based on these principles. A radical departure from these norms would open the Agency to serious criticism and questions concerning the validity and equity of its position and pay structure.

c. Although CSC position standards are utilized as an integral part of the Agency classification system, PMCD has long recognized that these standards cannot be applied rigidly in evaluating Agency positions. The mission of the Agency and the environment in which it operates necessitates the consideration of unique functions in many CIA positions that

are not found in positions elsewhere in Government. Because of this, PMCD has used the CSC standards as general guidelines in evaluating occupations and positions according to such factors as the skills, knowledges, and responsibilities incorporated at various grade levels, as a basis from which to evaluate the additional unique functions found in many Agency positions. In addition to these general guidelines, position audits are conducted to clarify the specific responsibilities, functions, and peculiarities of the positions being reviewed, as well as the incumbent's involvement in the component's programs. Position evaluations based on comparisons without detailed knowledge of the functions, responsibilities, and program involvement would result in a superficial and unacceptable allocation by title and pattern.

d. The classification of positions cannot involve merely the review of the specific position in question without some understanding of its relation to other positions within the organization in which it functions. Many organizations can effectively utilize the traditional hierarchical structure effectively, while others can more effectively utilize a less structured or team concept. The type, level, and fluctuations of workload requirements must be considered to insure that the position allocations not only meet the principles of proper job/pay equity, but are also responsive to the needs of the organization concerned. Because the methodology of PMCD's Position Management Program incorporates all of these factors in the allocation process, it is difficult to understand the IG comment that "PMCD considers only hierarchical organizational structures, makes position comparisons by title and grade rather than by specific factors and responsibilities, and does not consider workloads when recommending professional-to-clerical ratios." It is precisely the manager's constant need to restructure his resources and adapt positions to the talents of available personnel that underlies the basic function of position management as performed by PMCD. For these reasons, the role of PMCD has for several years included not only classifying, or pricing, positions but also the function of position management which incorporates considerations of organizational structure and position relationships.

e. An important part of PMCD's position management program is the Periodic Survey Program instituted approximately five years ago. This program was designed to include a complete position review of each Agency component by PMCD once every three years. It was instituted to address many of the areas in which the IG noted component criticisms and does in fact provide feedback to component management concerning the overall structure and organization of the component. This feedback usually involves comments regarding under-utilized manpower, duplication of work effort, unclear supervisory channels and other related items. It is provided with the full recognition that it is the manager's prerogative to accept or reject the organizational and management related recommendations. Such recommendations, however, are based on total component survey audits in which the employees themselves have provided

much of the information concerning the problem areas. The conduct of these surveys, either in terms of the evaluating position levels and structures or in terms of providing feedback to management concerning apparent organizational anomalies, is entirely within the capabilities of a professionally trained GS-12 or GS-13 Position Management Officer who functions as a specialist in evaluating positions and position structures.

f. Criticisms relating to the delays in obtaining and completing PMCD reviews are valid in many cases. In terms of workload, the Position Management Officers in PMCD are presently responsible for approximately three times the number of positions handled by classifiers in most other Government organizations. This workload has been further compounded by the requirement to allocate extensive time and resources to develop an Agency variation of the new CSC Factor Evaluation System and to evaluate Agency positions for inclusion under the Fair Labor Standards Act. To counter these problems, PMCD has increased its staffing through the recent assignment of several trainees and is attempting to retool its component survey program to reduce the number of surveys to those in particularly critical areas.

g. In addition to these areas of possible improvement in the current Position Management Program in the Agency, the IG Report has validly identified several fundamental issues which greatly impact on the effectiveness of the program. The issues of unclear control authorities, and the need for effective formal appeal and enforcement systems, have a direct bearing on PMCD's effectiveness, and therefore on the Agency's position management program. However, the IG recommendation that these issues be resolved by delegating to Deputy Directors the authority to establish positions and to hear and decide classification appeals would likely result in a large sacrifice of position grade equity and program quality. In addition to a loss of equity, experience has shown that a decentralized system usually requires greater manpower to accomplish the same tasks than would a centralized system. Decentralized classification systems have already been tried in the State Department and in other Governmental organizations with distressing results. To insure that the Agency is not subject to unwanted criticism, the principle of equal pay for equal work, or job/pay equity, must be maintained. Such equity must be maintained not only within individual components, but also within the Agency as a whole with an additional relationship to Government-wide pay equity. Unfortunately, experiments with decentralized classification have demonstrated that managers are much too close to their programs and their personnel to maintain an objective approach to classification. The results generally have been the creation of disparities and a massive escalation in grade levels followed by a return to a centralized classification system in those cases where position classification systems were subsequently audited by an authoritative objective body. The damage is not easily corrected, however. Nevertheless, there is a critical need for more direct participation and substantive contributions by operating

component representatives, clearly defined authorities and the institution of definitive appeal and enforcement systems in the Agency if there is to be a significant improvement in the effectiveness of the Agency's position management and classification program. One alternative which has not been honestly addressed through the years of discussion of this problem is that of authorizing PMCD to implement its decisions on position grades without delay, subject to any desired appeal by components. This would (1) provide the sought-after efficiency through the elimination of interminable negotiations and discussions; (2) remove the possibility of ignoring findings without implementation; (3) reduce the number of appealed cases to a manageable number by centering on those that are really defensible and those in which erroneous classification judgments have been made. Although it has been stated that appeal mechanisms outside the Directorate involved would be unworkable because of the lack of subject expertise of the appeal body, similar mechanisms are nevertheless broadly and satisfactorily applied in other areas such as those involving judges and arbitrators where the prime requirement is the weighing of the presentations of opposing substantive experts. There is little reason to believe that it could not work in Agency classification.

4. Specific Response to IG Introductory Remarks Concerning PMCD (Tab G)

- 4d. "PMCD's contributions toward establishing and monitoring job/pay equity are relatively ineffective at grades GS-14 and above. . . . its downgrading recommendations sometimes restrict future headroom but have little effect in the sense of causing transfers or demotions of incumbents. As one senior manager puts it, the outcome depends on how well the Office 'snows' PMCD."

Comment:

Concern for establishing appropriate and equitable position grade levels must be a joint responsibility of component managers and PMCD. It is not PMCD's intent to cause a demotion or an immediate transfer of incumbents when positions are downgraded; the flexibility of the Agency's staffing system (flexible positions, PRA's etc.) could easily preclude such results in any event. The PMCD objective is to properly grade each position; in terms of managing the Agency's resources, there is reason to expect that managers should have the same objective. The phrase "how well the Office 'snows' PMCD" implies that managers do not want positions properly graded.

5. ". . . it is important to note that upward grade creep in CIA is not significantly different from that experienced in most other Federal agencies."

Comment:

A more dramatic and costly increase in the position grade pattern of the Agency has not been experienced only as a result of continuous and positive monitoring by the Office of Personnel whereby unjustifiable increases in position grades have not been authorized. In recent months, the President, the Director of OMB and the Comptroller General of the United States have expressed concern over the need for Agency top management to institute measures to reduce the escalation of manpower costs and can be expected to take action if the upward grade creep is not contained.

6,7,9 "Agency managers . . . allege that PMCD personnel do not understand Agency functions and positions, much less their importance and uniqueness, and insist on using Civil Service standards of position classification which many think are not applicable to the Agency."

"CIA follows the Civil Service wage and grade structure, but the dynamic nature of the Agency's unique role has resulted in management innovations which are not typical of the Civil Service tradition,"

"In reviewing a number of PMCD surveys, we find some validity to the frequently voiced assertion that PMCD bases its judgment too closely on Civil Service precepts. . . . It goes to some lengths to correlate CIA positions (which are frequently unique to CIA) with positions elsewhere in the Government, e.g., an NSA journeyman computer programmer is a GS-12; therefore, a CIA programmer, who may in actuality work with a much more complex system and set of problems, should be comparably graded. We find many examples where PMCD used comparisons which we judge to be invalid, e.g., we do not think a DCD contact officer should be compared with a DDO case officer to establish grade equity."

Comment:

The allegation that PMCD personnel do not understand Agency functions and positions is overstated. Regardless of the classifier's level of experience or the extent of prior knowledge of a component, he can call upon the knowledge and experience of a number of other PMCD officers who have previously surveyed the component, and he also has at his disposal a wealth of previously acquired mission and function data together with specific position information which is maintained by

PMCD relative to the particular component. There is little chance that the PMCD officer, in conducting a complete component survey, will not have a very clear understanding of the component's mission and functions.

Also overstated are the IG's views regarding the "uniqueness" of Agency positions and the PMCD reliance on CSC standards for allocating positions. Although PMCD utilizes CSC standards for guidance and makes external comparisons when applicable, the majority of grade allocations are made on the basis of comparisons with other positions within the CIA. If, in fact, PMCD evaluates positions strictly by CSC standards, many of the Agency's positions would be found to be overgraded by one to three grades. By the same token, it is doubtful that GAO auditors would accept the view that standards which apply to nearly 2 million civil employees have little or no application to the [redacted] employees in CIA. While there are positions and functions in the Agency which are unique to the Federal structure, the uniqueness is not all-encompassing of all positions and functions. A majority of position functions fit the normal definition as they would fit in other Federal structures.

The Office of Personnel recognizes the value and importance of greater substantive participation by representatives of the operating components in the position classification function and strongly recommends formal representation, both as rotating members of the PMCD team organization and within the component under classification survey. The validity of judgments in position grade adjudication actions can only be enhanced by such direct participation.

8. "There is an inherent incompatibility between PMCD's preoccupation with fixed, unchanging positions and managers' preoccupations with adjusting positions to fit changing people."

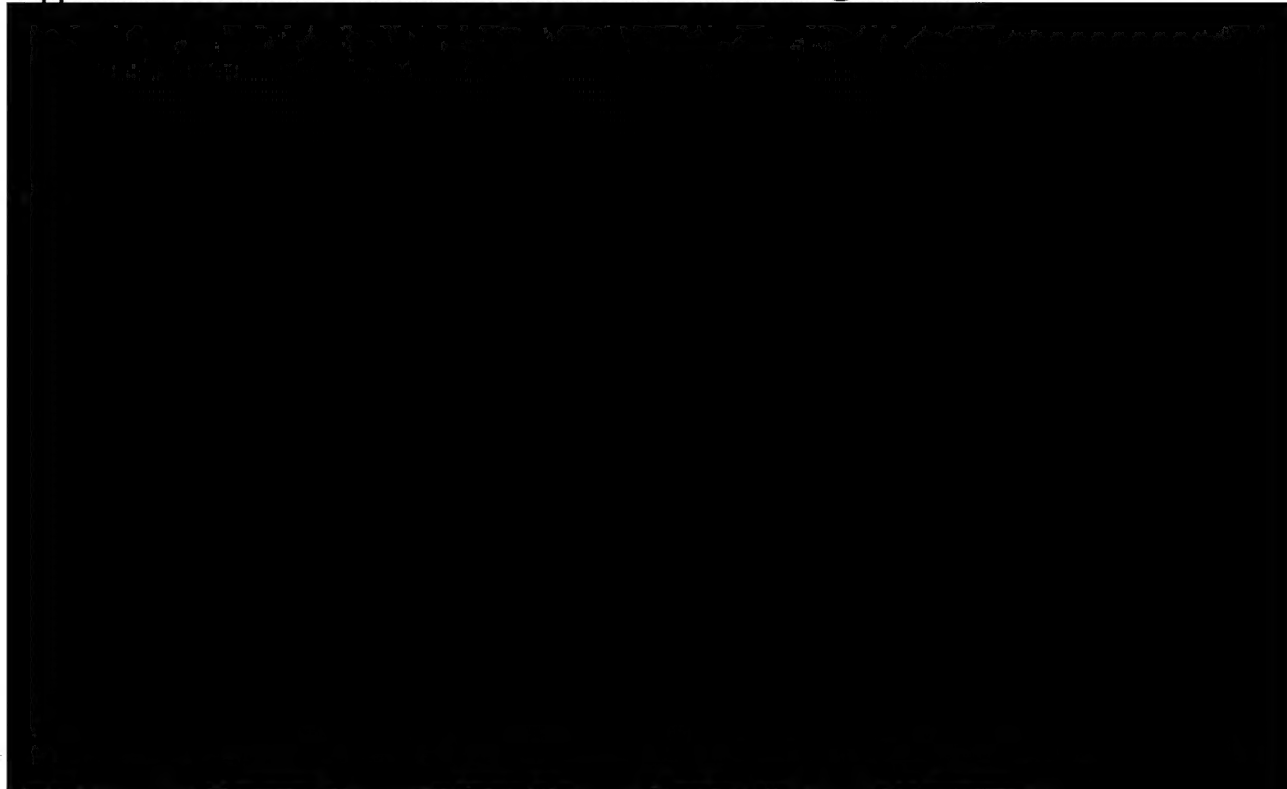
Comment:

There is no PMCD preoccupation with fixed, unchanging positions. Indeed, one of the primary objectives in conducting position management surveys is that of determining whether position duties and responsibilities have changed and making any necessary adjustment in the position grades (upward or downward) to maintain grade equity within the Agency.

10. "We feel there is some confusion in PMCD as to its appropriate role; i.e., whether to ensure job/pay equity or to control the rise in average grade and the like."

Comment:

The confusion is not apparent in PMCD. There may be confusion regarding the source of authorities in these and other areas, but not in the analytical roles to be played in the Division.



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Extremely different recommendations were made in the two surveys.

17. "We suggest that the (PMCD) permanent staff be given periodic personnel officer rotational assignments to other Agency components, perhaps two or three during a career, to obtain a different perspective and to gain more experience with the problems of other components."

Comment:

Approximately 70% of the current PMCD staff has served in other Agency components for one or more tours and more than one-third have served tours overseas. The Office of Personnel (as stated before) strongly recommends augmentation of the regular PMCD staff by rotations of substantive career officers from each of the Directorates.

- 18,19. "Some managers argue for decentralized position management and classification. They suggest that professional job classifiers be assigned to Directorates, or even to large components, and that job classification be done wholly within such units. They feel that existing constraints on numbers of positions, senior slots and average grade are adequate to prevent empire building and that, within these constraints, they are best able to decide how to organize their components and assign grade values to positions."

"Such a decentralized system is in effect at the Energy Research and Development Administration (ERDA) and it reportedly works effectively. However ERDA uses a standardized system for evaluating its relatively homogeneous positions and managers have been trained in and are involved in the application of this system, thus ensuring a certain amount of job/pay equity within ERDA. From this and other examples, it appears that a decentralized system can work satisfactorily in some organizations if systematic position standards have been developed and managers understand those standards and are willing to devote time to their application."

Comment:

As noted earlier, the results of decentralization in other agencies have ranged from unsatisfactory to disastrous in terms of maintaining Agency-wide grade equity and controlling grade escalation.

With reference to ERDA, it is correct that their classification system is decentralized. The ERDA system, which is essentially based upon a Benchmark/Factor Evaluation and Standards program, does not, unfortunately, include any centralized oversight mechanism to ensure or enforce job/pay equity for comparable positions within the ERDA structure and no effective control on the justification of position grades other than ceiling, budgetary, and average grade limitations imposed externally by OMB. The Inspection team's conclusion "thus ensuring a certain amount of job/pay equity within ERDA" is not based on a full understanding of the ERDA system. It is our impression that the IG team extracted its ERDA comments from the [REDACTED] report and made additional assumptions without contacting ERDA directly. Equally questionable is their statement that "From this and other examples, it appears that a decentralized system can work satisfactorily." We know of no such examples, although we would be first to agree that, even under a centralized system, effective standards and management involvement are necessary.

20,21. "The Civil Service Commission is developing a position classification methodology called the Factor Ranking/Benchmark System. . . . Those who are familiar with the system are enthusiastic over its potential and cite as its advantages that it is easy to understand (and) . . . is a more accurate way to grade positions. . . . PMCD has established a separate Branch to develop this system for Agency use."

"The Inspection Team was impressed with the potential of this system and urges the early development and use of an Agency version to improve both position classification and communication on that subject between PMCD and components."

Comment:

As noted, PMCD has already realigned its organization and staff assignments to develop the Federal Factor Ranking/Benchmark System for application within the Agency. The Civil Service Commission is charged with developing the primary guidance for this Government-wide system through the Job Evaluation Policy Act of 1970. In this statute it is stated that "Title II - Statement of Policy, Sec. 201: It is the sense of Congress that -

"(1) the executive branch shall, in the interest of equity, efficiency, and good administration, operate under a coordinated job evaluation and ranking system for all civilian positions, to the greatest extent practicable;

"(2) the system shall be designed so as to utilize such methods of job evaluation and ranking as are appropriate for use in the executive branch, taking into account the various occupational categories of positions therein; and

"(3) the United States Civil Service Commission shall be authorized to exercise general supervision and control over such a system."

We support the IG's views that these efforts be continued.

22. "Although most authority in CIA is delegated to the Deputy Directors who supervise the four semi-autonomous Directorates, the Agency must operate as a single organization in its relations with the rest of Government, including its conformance with manning and staffing rules and restrictions. These require that job/pay equity be maintained and monitored throughout the Agency, not just within the Directorates. . . . We question, however, whether the Director of Personnel needs to retain authentication control of official Staffing Complements."

Comment:

The Inspection team's logic in this paragraph is unclear. The "authentication control" of the Director of Personnel is synonymous with final approving authority for an action. The monitoring function to assure that job/pay equity is maintained throughout the Agency would require retention of a final "authentication" authority if it is to be meaningful.

25. "... We also question the infallibility of PMCD's judgement. This is not intended as criticism of PMCD or its personnel. They are not and cannot be specialists in all the organizations of position fields they are analyzing; therefore, they will make errors in judgement and their decisions should be subject to review and; if necessary, reversal."

Comment:

PMCD has never claimed infallibility in its judgments. They are however professionally accountable in terms of developing the best possible data on which they render judgments. More participation and input by knowledgeable substantive officials is essential and necessary in the position adjudication effort. A formal appeal mechanism for final review and decision of unresolved disagreements should be installed.

- 27, 29, 31. "The main problem with the Director of Personnel/ DDA appeal route lies in the number and complexities of the disputes. Effective and equitable resolution of them all would require amounts of job knowledge, position classification knowledge and study time that are simply not available to those with the high level of authority and respect needed to impose an undesired solution on a Deputy Director. Creation of an appeal authority outside the four Directorates . . . would face the same set of problems."

"We conclude that there are only two solutions available. The present system, lacking real enforcement authority, can be continued and probably be improved . . . but . . . most of the fundamental problems would remain. The other choice is ; . . . to make the Deputy Directors the appeal and decision authority, while preserving the Director of Personnel's capability and responsibility for monitoring their actions."

"No proof can be offered that the outcome of the shift in authority described above will be good, bad or indifferent. We are persuaded, however, that the risks of serious degradation are not great . . . and return to the present system would be possible if we are proven wrong."

Comment:

In the course of any given year, several hundreds of positions are surveyed and adjudicated without serious disagreement between PMCD and the operating officials concerned. There are nonetheless, a number

of issues which arise where honest differences of opinion cannot be resolved. Many "issues" have their origin in terms of the operating manager's view that PMCD is intruding in the manager's area of authority and have no "right" to render opinions let alone judgments on these matters. These managers are strong advocates of decentralization of classification authority to their jurisdiction.

The IG has indicated that only "two solutions" are available. The Office of Personnel believes a "third" alternative must be confirmed that will reaffirm centralized authority for the Agency's position management and classification function but provide for more extensive substantive office participation in arriving at judgments and finally provide a formal and impartial appeal mechanism to resolve differences.

Organizations that have experimented with decentralization of the position classification function have experienced serious problems as regards lack of job/pay equity and grade escalation. A "return to the present system" would not easily correct the damage done.

32,34,35. "Headquarters Notice [REDACTED] 7 January 1972, STATINTL established the Position Survey Program with the aim of scheduling and conducting position and manpower utilization surveys in all components with the objective of achieving complete coverage of the Agency each three years. PMCD is charged with conducting the Position Survey Program."

"Most component managers are extremely critical of the PMCD periodic survey program, however,"

"One often-mentioned problem is that PMCD's manning and priority system does not permit an early response to a request for a reorganization-generated survey, or rapid accomplishment of the survey after it starts."

Comment:

The criticisms cited by the IG are valid in terms of early response or rapid accomplishment of the surveys after they have been started. PMCD staffing authorization simply have been inadequate in terms of the scope of requirements imposed. Additional allowances have been reallocated within the Office of Personnel's limited ceiling to permit additional staffing in PMCD. Augmentation from the Directorates would further assist to remedy this and other concerns.

38a. "Unresolved differences with PMCD periodic survey findings are sometimes never formally settled Therefore, we believe the expenditure of three-six

months of component and PMCD efforts at three year intervals for periodic position surveys to be excessive when compared with the specific end results achieved."

"We believe that static organizations should be subject to . . . reviews . . . but at intervals considerably longer than three years."

Comment:

It is true that unresolved differences are sometimes never settled. Nevertheless, in almost every survey a large majority of existing grade allocations are reaffirmed by PMCD. This, to a considerable degree, ensures that position grade equity is being maintained throughout the Agency. We agree, however, that certain organizations need not be surveyed as frequently as others. Here again, a formal appeals mechanism would eliminate unresolved differences.

5. Specific Response to IG Conclusions

Conclusion G-1:

This conclusion, if we read it correctly, would delegate the Deputy Directors authority to allocate Agency positions with PMCD acting in an advising role. This approach might solve the customer-perceived need to be able to allocate positions to the grades they desire but the side effects of overall Agency position grade misalignment would negate the primary reason for a job classification program as perceived by Congress and in the spirit of the law, i.e., equal pay for equal work. PMCD, in an advisory role, would have little real control. As we know, even now with so called allocating authority, PMCD has a difficult time making decisions stick. In our view, this conclusion should have opted for strengthening the present system by clear cut functional statements and delegations of authority to the Director of Personnel from the DCI to perform the difficult tasks of position management and classification in a fair and equitable manner and with integrity on the sides of both managers and position management officers. With the appropriate delegation of authority would come procedural improvements such as more timely resolutions of survey and job audit recommendations.

Conclusion G-2:

The Director of Personnel, acting for the DCI, should be required to monitor Directorate and DCI area adherence to equal pay for equal work (job/pay equity) principles and to allocated manning, average grade and senior slot limits, and to recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned.

Comment:

The Director of Personnel now has the responsibility for monitoring adherence to equal pay for equal work and for reporting differences (including abuses) to his superiors including the DCI. This conclusion simply reinforces that responsibility.

Conclusion G-3:

In the area of position grade evaluations, PMCD should:

- a. Develop and maintain standards for position evaluation use.
- b. Participate in and advise on all position evaluation use.
- c. Insure that unresolved differences with component managers over position evaluations are brought to the responsible Deputy Director for decision.
- d. Inform the Director of Personnel in cases when, in the opinion of PMCD, decisions made by Deputy Directors conflict significantly with equal pay for equal work principles or established pay policies, e.g., pay scales for senior secretaries.

Comment:

In regard to conclusion G-3(a), PMCD has instituted a position standards program which in its implementation will be based on the newly approved position evaluation system for the Federal Government, i.e., the Factor Evaluation System (FES). Embodied in the PMCD standards program will be particular concern for manager orientation and participation. (Much of the problem in the Agency's salary and wage program stems from the ignorance of, and indifference to, this vitally important function by senior management officials particularly and most other managers and supervisors generally. Millions upon millions of taxpayer's dollars are spent on employee salaries, yet it is doubtful if this subject is mentioned in a single Agency training course - management or otherwise.)

Conclusion G-4:

With regard to staffing complements, PMCD, in collaboration with other Office of Personnel components, should:

- a. Establish staffing complement formats.
- b. Compile, produce and disseminate staffing complements authenticated by the Deputy Directors and produce and disseminate related management information reports.

- c. Report to the Deputy Director concerned and to the Director of Personnel any non-trivial continuing instances when the totals of a Directorate's staffing complements exceed that Directorate's allocations of manning, senior slots or average grade.

Comment:

This conclusion appears unnecessary. All of these things are done now.

Conclusion G-5:

PMCD's responsibility for conducting periodic position surveys should be modified. In this area:

- a. PMCD should conduct periodic position surveys in components that have received little attention in conjunction with reorganizations for a period of about five years.
- b. The Director of Personnel should initiate special PMCD position surveys in other cases where he has reason to believe that position classifications need revision.
- c. Neither periodic nor special position surveys should be allowed to interfere with prompt and rapid service of reorganization or other more immediate needs for PMCD assistance.
- d. During all surveys, PMCD should restrict its recommendations regarding the organization and management of component personnel to cases where organization or management is the dominant consideration in evaluating position grades.
- e. PMCD should be permitted on its own initiative to audit positions in any component in order to obtain data needed to establish, maintain or improve position evaluation standards.

Comment:

A number of the conclusions here are certainly well taken. In our view, however, the conclusions should have related to what the DCI wants in terms of a position management and classification program and how many resources he is willing to commit. Ideally (and as is required by law for most other Federal agencies), all positions should be reviewed at least once a year. In addition, there should be provision for position standards development, ad hoc and priority request resolutions, and policy, procedural and technical wage review, research and development,

Once PMCD is advised of its mission and is given the resources to accomplish it, it can set priorities accordingly. PMCD could then depart from the long standing "all things to all men" requirement and focus on those things management wants done and is willing to pay for.

Conclusion G-6:

PMCD should accelerate the development and trial implementation of improved position evaluation standards and methods similar to the Factor/Benchmark system now being developed by CSC for Government-wide implementation by 1980. Full CSC development of its system should not be a prerequisite to development and trial implementation of an Agency version.

Comment:

The position standards program is discussed in G-3 above. There was (and is) no intention on anyone's part to our knowledge either inside or out of CIA to delay "the development and trial implementation of an Agency version."

Conclusion G-7:

The Director of Personnel should review and alter the organization of and manpower authorized for PMCD as necessary to meet its revised mission.

- a. It is important to note that PMCD manning must permit prompt and rapid service of component needs.
- b. A program of rotating Office of Personnel people with experience as component support officers through 3-5 year PMCD tours, and of rotating PMCD professionals through component support officer tours, would provide a valuable experience base.
- c. Rotating personnel from other Agency components through PMCD tours would contribute more specific component knowledge and would be useful if the tours can be long enough for the rotating personnel to develop and use job classification expertise.

Comment:

We agree that PMCD manning must permit prompt and rapid service. With respect to the rotation of Office of Personnel people in and out of PMCD, this practice is already being followed to some extent. The rotation of officers from other Agency components is supported by the Office of Personnel.

6. Specific Response to IG Recommendations

The IG report lists three specific recommendations:

- a. DCI delegate to the DD's authority to authenticate Staffing Complements;
- b. D/Pers monitor DD job/pay equity and allocation controls;
- c. D/Pers revise PMCD procedures, position surveys, scheduling, and manpower as shown in G-3 through G-7,

Comment:

We have addressed each of the three specific recommendations in our preceding responses and have commented on the problems of delegation of authentication (i.e. approving) authority for Staffing Complements to the separate Directorates. In lieu of restating earlier comments, the Office of Personnel proposes the following alternative recommendations:

- a. That the Agency maintain a centrally-administered position management and classification program to assure "single Agency" oversight in ensuring adherence to the principle of "equal pay for equal work."
- b. That the DCI establish, in Agency Regulations regarding position management and classification, a clearly defined policy which:
 - (1) Delegates to the Director of Personnel the authority to implement his classification decisions on positions, GS-15 and below, within Agency ceiling and average grade limitations, and
 - (2) Formalizes an appeal and decision system for the final adjudication of disputed classification decisions.
- c. The Director of personnel continue the position management survey program as an essential element in maintaining grade comparability.
- d. That the Director of Personnel continue his efforts in the development of the Factor Evaluation System and position standards for Agency positions in cooperation with Agency line management.

- e. That the regular staff of PMCD be augmented with the rotation of an officer, grade GS-13/14 level, selected by each of the Deputy Directors, for a two year tour with PMCD, to participate in position classification surveys of components within his parent Directorate.
- f. That the Director of Personnel establish an Agency position management training and orientation program to educate management at all levels as to the objectives and advantages of an effective position management program.